Government of Saskatchewan

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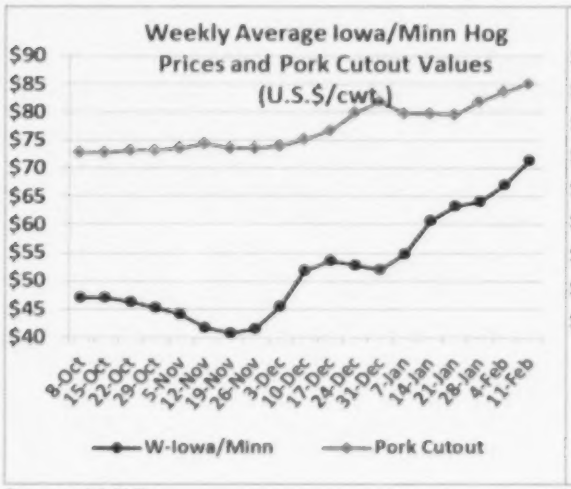
Weekly Hog Report

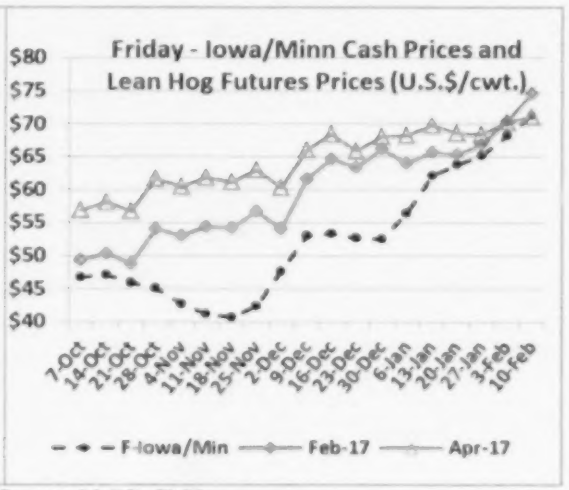
February 13, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued to move higher last week. Hog prices on Friday February 10 averaged US$71.19 per cwt, up US$3.03 per cwt or 4.4 per cent from US$68.16 per cwt the previous Friday. The negotiated weekly base price last week averaged US$71.28 per cwt, up US$4.16 per cwt or 6.2 per cent from US$67.12 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

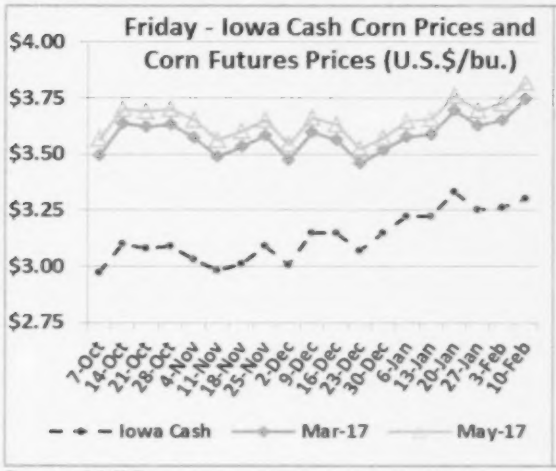
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday February 10, 2017 was $172.43 per ckg, up $8.92 per ckg or 5.5 per cent from $163.51 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $168.53 per ckg, up $7.98 per ckg or 5.0 per cent from the previous weeks' average price of $160.55 per ckg. The Canadian dollar dropped early in the week and partially recovered to settle Friday at 76.42 cents, down 0.34 cents from 76.76 cents the previous Friday.

Futures Markets

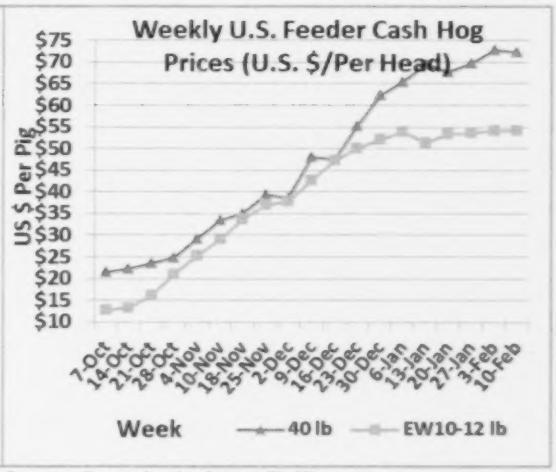
United States lean hog futures daily prices were mixed last week but overall higher to end the week higher, week-over-week. The nearby February contract increased US$4.225 per cwt or 6 per cent to settle Friday at US$74.550 per cwt. The April 2017 lean hog futures contract increased US$0.825 per cwt last week to settle Friday at US$71.075 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$54.07 per head, slightly higher from US$54.01 per head the previous week. Feeders (40lb) averaged US$72.13 per head, down US$0.63 per head from US$72.76 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.30 per bushel, up 4.0 cents from US$3.26 per bushel the previous Friday. Daily corn futures were mixed last week with good gains on Friday to end last week higher, week-over-week. The March corn futures contract increased 9.3 cents to settle Friday at US$3.74 ½ per bushel, while the May 2017 corn contract increased 9.2 cents per bushel to settle Friday at US$3.82 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending February 11 were estimated at 2.364 million head, up 1.6 per cent from 2.327 million head the previous week, and up 3.7 per cent from 2.280 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.349 million head, up 3.4 per cent from 2.271 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending February 4, 2017 were estimated at 447,783 head, up 3.8 per cent from 431,446 head the previous week, and up 6.8 per cent from 419,331 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 444,160 head, up 2.5 per cent from 433,225 head over the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending February 11, 2017 was estimated at 503.6 million lb., up 1.5 per cent from 496.0 million lb. the previous week, and up 4.0 per cent from 484.2 million lb. the same week a year ago. Pork production over the last four week's ending February 11 was estimated to average 500.3 million lb., up 3.5 per cent from 483.2 million lb. over the same four week period a year ago.

U.S. beef production for the week ending February 11 was estimated at 472.0 million lb., down 3.9 per cent from 491.0 million lb. the previous week, but up 4.3 per cent from 452.5 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending February 4, 2017, was estimated to average 2.117 billion lb., up 3.9 per cent from 2.037 billion lb. over the same four weeks a year ago.

United States Weekly Meat Production

(Feb. 4) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	485.1	501.4	3.3%	0.0%
Beef	468.5	484.8	3.5%	2.6%
Chicken	949.5	994.5	4.7%	2.5%
Turkey	134.2	136.4	1.6%	-2.5%
Total	**2,037.3**	**2,117.0**	**3.91%**	**1.60%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending February 11, 2017 averaged US$85.11 per cwt, up $1.39 per cwt or 1.7 per cent from US$83.72 per cwt the previous week, and up 11.2 per cent from US$76.56 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending February 11, 2017 averaged US$189.39 per cwt over the week, down US$3.49 per cwt or 1.8 per cent from US$192.88 per cwt the previous week, and down 13.0 per cent from US$217.63 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending February 11, 2017 averaged US$101.79 per cwt, down US$2.57 per cwt or 2.5 per cent from US$104.36 per cwt the previous week, and down 7.0 per cent from US$109.50 per cwt the same week a year ago.

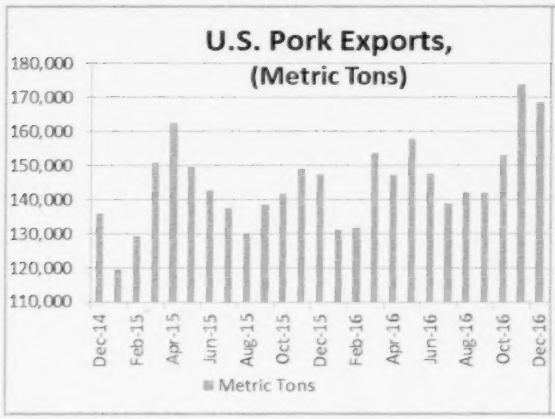
United States Pork Exports

United States exported 168,724 metric tons of pork in December 2016, down 2.9 per cent from 173,770 metric tons in November 2016, but up 14.7 per cent from 147,142 metric tons in December 2015.

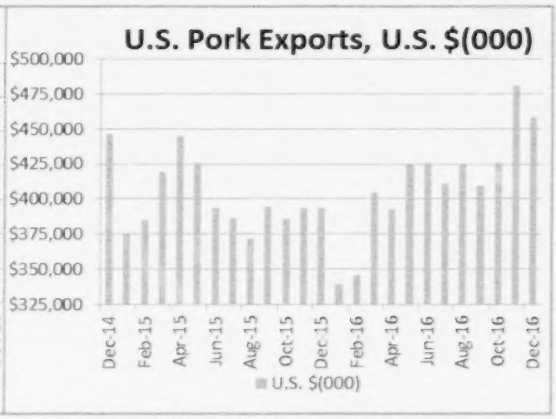
Total U.S. pork exports by volume for 2016 were 1,788,078 metric tons, up 5.3 per cent compared to U.S. pork exports in 2015. The biggest increases in annual pork exports in 2016 by volume were to China (+84%); helping to make up for the volume declines to South Korea. U.S. pork exports by volume in 2016 were higher to Mexico and Australia, compared to 2015.

By dollar amount, U.S. pork exports in December 2016 were US$458.1 million dollars, down 4.7 per cent from US$481.0 million in November 2016, but up 16.5 per cent from US$393.2 million dollars a year ago, December 2015. Total U.S. pork exports by dollar amount for 2016 were $4.942 billion dollars, up 3.7 per cent from $4.767 billion dollars

in 2015. U.S. pork exports to China in 2016 were up 92 per cent by dollar value helping to make up for the 22 per cent loss in sales to Korea.



Source: USDA, USMEF



Source: USDA, USMEF

USDA World Agricultural Supply and Demand Estimates (WASDE)

On February 9, the USDA released the February World Agricultural Supply and Demand Estimates (WASDE). The February USDA WASDE report revised the 2017 United States Red Meat and Poultry production estimates to 100.586 billion lb., a slight decline from the January estimates, but still a 3.1 per cent increase in meat production for 2017 compared to 2016. United States meat production numbers for 2017 were estimated to increase for pork (+4.9%), beef (+3.1%), turkey (+2.3%), and broilers (+2.1%) from 2016. Beef production estimates for 2017 in the February estimates were increased slightly from January on higher cattle placements and marketing's for the year. U.S. pork production estimates for 2017 in the February estimates were slightly lower compared to the January estimates. (Source: USDA WASDE)

USDA February World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	**Annual**	**23,698**	**24,501**	**40,048**	**5,627**	**94,630**
2016	**Feb. Proj.**	**25,212**	**24,939**	**40,686**	**5,981**	**97,589**
% Chg.	**2015-2016**	**6.39%**	**1.79%**	**1.59%**	**6.29%**	**3.13%**
2017	Jan. Proj.	25,955	26,205	41,575	6,120	100,640
2017	**Feb. Proj.**	**26,000**	**26,170**	**41,525**	**6,120**	**100,586**
% Chg.	Jan.-Feb.	0.17%	-0.13%	-0.12%	0.00%	-0.05%
% Chg.	**2016-2017**	**3.13%**	**4.94%**	**2.06%**	**2.32%**	**3.07%**

Source: USDA February WASDE Report, February 9, 2017

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